

VILLAGE OF MACHESNEY PARK, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2022

VILLAGE OF MACHESNEY PARK, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	15
Statement of Activities	17
Fund Financial Statements	
Balance Sheet - Governmental Funds	19
Reconciliation of Total Governmental Fund Balance to the	
Statement of Net Position - Governmental Activities	21
Statement of Revenues, Expenditures and Changes in	
Fund Balances - Governmental Funds	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances to the Statement of Activities - Governmental Activities	25
Notes to Financial Statements	26
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	54
Schedule of Changes in the Employer's Net Pension Liability/(Asset)	
Illinois Municipal Retirement Fund	55
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	57
IL Rte. 251/173 Gateway TIF - Special Revenue Fund	58
North Second Street TIF - Special Revenue Fund	59
Weststone IJRL TIF - Special Revenue Fund	60
Build Machesney Roads - Special Revenue Fund	61
South Willow Creek IJRL TIF - Special Revenue Fund	62

VILLAGE OF MACHESNEY PARK, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION - Continued

OTHER SUPPLEMENTARY INFORMATION

Individual Fund Descriptions	64
Schedule of Revenues - Budget and Actual - General Fund	66
Schedule of Expenditures - Budget and Actual - General Fund	68
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Capital Projects Fund	70
Combining Balance Sheet - Nonmajor Governmental Funds	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Governmental Funds	73
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Motor Fuel Tax - Special Revenue Fund	75
North Willow Creek IJRL TIF - Special Revenue Fund	76
Sales Tax Rebate - Special Revenue Fund	77
Flood Mitigation - Special Revenue Fund	78
Neighborhood Revitalization - Special Revenue Fund	79
Utility Tax - Capital Projects Fund	80
Consolidated Year-End Financial Report	81
Report on Internal Control over Financial Reporting and on Compliance and Other Matters	
Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	82

SUPPLEMENTAL SCHEDULES

Long-Term Debt Requirements	
Promissory Note Payable of 2021A	85
Promissory Note Payable of 2021B	86
Promissory Note Payable of 2021C	87

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Village's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

September 29, 2022

The Honorable Village President
Members of the Board of Trustees
Village of Machesney Park, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Machesney Park, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Machesney Park, Illinois, as of April 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and GASB-required pension reporting, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Machesney Park, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF MACHESNEY PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

The management of the Village of Machesney Park (the "Village") offers the readers of our financial statements the following narrative discussion and analysis of our financial activities of the Village for the fiscal period ending April 30, 2022. Please read it in conjunction with the financial statements, which can be found in the basic financial statements section of this report. It should be noted that information contained in this report may vary from other management reports prepared by the Village due to the use of different accounting methods.

FINANCIAL HIGHLIGHTS

- The Village of Machesney Park's net position increased \$11,322,590, which is approximately 11.1 percent from the prior year net position.
- During the year, government-wide revenues for the primary government totaled \$25,358,526 while expenses totaled \$14,035,936, resulting in an increase to net position of \$11,322,590.
- The Village's net position totaled \$113,185,432 on April 30, 2022, which includes \$83,402,553 net investment in capital assets, \$9,039,264 subject to external restrictions, and \$20,743,615 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported excess revenues for the year of \$3,928,214, prior to transfers out of \$1,115,789. The net change in fund balance of \$2,812,425 brings the fund balance in the General Fund to \$16,093,370, resulting in an increase of 21.2 percent.

USING THIS ANNUAL REPORT

The focus of the financial statements is on both the Village as a whole (government-wide) and on the major individual funds of the Village. Both perspectives allow the users of the financial statements to address relevant questions. Additionally, this reporting broadens the basis for comparison (i.e., comparing different years, governments, etc.), and enhances the Village's accountability.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to private-sector business. The government-wide financial statements include the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on the assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year. It is focused on both the gross and net cost of various programs and activities, which are supported by the Village's general taxes and other sources. This is intended to simplify and summarize the user's ability to analyze the cost of the Village's governmental activities.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

USING THIS ANNUAL REPORT - Continued

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The Governmental Funds presentation is designed to show the sources and uses of liquid resources. This is the manner in which the budget is typically developed. Governmental funds provide a current resources (short-term) view, which help to determine whether there are more or fewer current financial resources available to spend for Village operations.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains 13 individual governmental funds. The General Fund, Il Rte. 251/173 Gateway TIF Fund, North Second Street TIF Fund, Weststone IJRL TIF Fund, Build Machesney Roads Fund, South Willow Creek IJRL TIF Fund, and Capital Projects Fund are all considered to be "major" funds. Data from the other six governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F. employee pension obligation, retiree benefit plan, and the budgetary comparison schedules for the General, and major special revenue funds. Required supplementary information can be found in the financial section of this report. The combining statements referred to earlier in connection with nonmajor governmental funds is presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found in the financial section of this report.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position: A useful indicator of the Village's financial position may be ascertained by comparing the total Net Position from year to year. The Village's net position as of April 30, 2022 was \$113,185,432, which represents an increase of \$11,322,590. The following schedule presents the condensed comparative Statement of Net Position as of April 30, 2021 and April 30, 2022:

	Net Position	
	4/30/2022	4/30/2021
Current Assets and Other Assets	\$ 34,707,742	25,913,124
Capital Assets	86,148,037	83,714,638
Total Assets	120,855,779	109,627,762
Deferred Outflows	63,296	243,839
Total Assets and Deferred Outflows	120,919,075	109,871,601
Long-Term Debt	2,273,857	2,796,754
Other Liabilities	1,839,531	944,504
Total Liabilities	4,113,388	3,741,258
Deferred Inflows	3,620,255	4,267,501
Total Liabilities and Deferred Inflows	7,733,643	8,008,759
Net Position		
Net Investment in Capital Assets	83,402,553	80,484,543
Restricted	9,039,264	6,446,650
Unrestricted	20,743,615	14,931,649
Total Net Position	113,185,432	101,862,842

A large portion of the Village's net position, \$83,402,553 or 73.7 percent, reflects its investment in capital assets (for example, land, construction in progress, buildings and improvements, vehicles, equipment and software, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$9,039,264 or 8.0 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining 18.3 percent, or \$20,743,615, represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Statement of Activities: The following schedule presents a comparative summary of revenues, expenses and change in net position for the period ended April 30, 2021 and April 30, 2022:

	Changes in Net Position	
	4/30/2022	4/30/2021
Revenues		
Program Revenues		
Charges for Services	\$ 941,041	965,780
Contributions	2,891,255	2,155,189
Capital Grants and Contributions	2,401,465	774,338
General Revenues		
Property Taxes	2,656,323	2,391,169
Road and Bridge Taxes	84,188	81,302
Utility Taxes	1,365,800	1,184,538
Other Taxes	717,890	624,761
Intergovernmental - Unrestricted		
State Income Taxes	3,392,371	2,967,615
State Sales Taxes	9,520,048	8,182,968
Local Use Taxes	891,617	1,049,474
Cannabis Use Tax	37,003	—
Casino Tax	73,864	—
Investment Income	48,603	46,506
Miscellaneous	337,058	443,398
Total Revenues	25,358,526	20,867,038
Expenses		
General Government	3,032,842	2,911,010
Public Safety	3,916,394	4,033,908
Highways and Streets	6,783,105	6,988,550
Housing	258,239	286,778
Interest on Long-Term Debt	45,356	158,580
Total Expenses	14,035,936	14,378,826
Change in Net Position	11,322,590	6,488,212
Net Position - Beginning	101,862,842	95,374,630
Net Position - Ending	113,185,432	101,862,842

VILLAGE OF MACHESNEY PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Statement of Activities - Continued: The Total Primary Government experienced an increase in net position of \$11,322,590. A majority of this increase is due to an increase in state sales taxes revenue of \$1,337,080, an increase in property taxes revenue of \$265,154, and an increase in operating grants and contributions of \$736,066, which was primarily in the general government expense function.

For the fiscal year ending April 30, 2022, total expenses were \$14,035,936. The largest component of expense, totaling \$6,783,105, was in the Highways and Streets function which includes all expenses (i.e. personnel, contractual services, etc.) related to maintenance of the highways and streets of the Village. Another component of the total expenses was \$3,916,394 related to the Public Safety function, which includes all expenses (i.e. personnel, contractual services, etc.) related to the police department.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Village's governmental funds reported combining ending fund balances of \$27,262,720, which is \$6,458,674, or 31.0 percent, higher than last year's total of \$20,804,046. Of the \$27,262,720 total, \$9,802,282, or approximately 36.0 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported an increase in fund balance for the year of \$2,812,425. This was due in large part to higher than anticipated revenues from state sales tax, income tax, local use tax, and video gaming tax. Further, expenditures were kept within budgeted limits and there were less snow and ice control and mowing costs than anticipated and delaying of some Village hall improvements.

The IL Rte. 251/173 Gateway TIF Fund reported a decrease in fund balance for the year of \$45,499. This was due in part to advance payments for developer incentives which will be reimbursed by the TIF in future years.

The North Second Street TIF Fund reported a decrease in fund balance for the year of \$20,585. The Village successfully sold the building at 8702 N. Second Street and so the balance in this Fund should continue to improve in future years.

The Weststone IJRL Fund reported an increase in fund balance for the year of \$389,009 due to increment generated to pay for future capital outlay expenditures.

The Build Machesney Road Fund reported an increase in fund balance for the year of \$1,681,311 due to higher than anticipated revenues which will pay for planned road improvements.

The South Willow Creek IJRL TIF Fund reported an increase in fund balance for the year of \$155,891. This was due in large part to additional TIF revenue that is offsetting prior year expenses.

The Capital Projects Fund reported an increase in fund balance for the year of \$773,388. This was due to saving for future anticipated capital projects.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village Board of Trustees made budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$10,612,176, compared to final budgeted revenues of \$8,444,900. The total increase of \$2,167,276 is largely due to state sales tax, local use tax, video gaming tax and state income tax largely exceeding expectations.

The General Fund actual expenditures for the year were \$635,938 under the final budgeted amount (\$6,683,962 actual compared to \$7,319,900 budgeted). The general government and public safety, and highways and streets functions' actual expenditures were under budgeted expenditures by \$242,716, \$24,531, and \$368,621, respectively.

CAPITAL ASSETS

The Village's investment in capital assets for its governmental type activities as of April 30, 2022 was \$86,148,037 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles, equipment and software, and infrastructure.

	Capital Assets - Net of Depreciation	
	4/30/2022	4/30/2021
Land	\$ 43,795,775	43,318,270
Construction in Progress	4,064,551	2,323,682
Buildings and Improvements	2,030,944	2,106,432
Vehicles	72,189	66,568
Equipment and Software	91,223	108,795
Infrastructure	36,093,355	35,790,891
Totals	86,148,037	83,714,638

This year's major additions included:

Land	\$ 511,456
Construction in Progress	3,222,676
Vehicles	27,270
Equipment and Software	7,451
Infrastructure	1,785,139
	<u>5,553,992</u>

Additional information on the Village's capital assets can be found in Note 3 of this report.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

LONG-TERM DEBT

At year-end, the Village had total outstanding debt of \$2,390,765 as compared to \$3,316,861 the previous year, a decrease of 28 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	Governmental Activities	
	4/30/2022	4/30/2021
Compensated Absences	\$ 31,614	35,497
Net Pension Liability/(Asset) - IMRF	(386,333)	51,269
Capital Leases Payable	6,810	26,603
Promissory Notes Payable	2,738,674	3,203,492
	<u>2,390,765</u>	<u>3,316,861</u>

The decrease of \$926,096 is primarily the result of payments to Promissory Notes Payable principal of \$464,818 and a decrease in the Village's net pension liability/(asset) of \$437,602.

For more detail information on the Village's long-term debt, see Note 3 of this report.

ECONOMIC FACTORS

The COVID-19 pandemic outbreak in the United States continues to impact the everyday lives of residents and businesses. There remains considerable uncertainty around the duration of the possible effects and related financial impacts. While there has been improvement in investment returns and revenue levels across the board as compared to a year ago, supply chain issues and inflation have substantially increased the cost of doing business. The Village continues to remain conservative in spending and has built up strong reserve balances to ensure necessary services continue to be provided to residents.

The Village relies primarily on sales tax and shared state income tax for support of General Fund services, which can be volatile revenue streams. The Village will continue to explore other opportunities to diversify the revenue base as well as continue to provide a mix of retailers along the popular Illinois Route 73 business corridor that are non-internet sensitive, such as home improvement centers and grocery stores. The Village continues to maintain approximately 95% occupancy throughout the commercial corridors, and is seeing strong improvement to the industrial sector. New construction of commercial development continues to be a challenge with supply chain issues, substantial increases in building material and labor costs, and inflationary cost increases, however, we remain optimistic that new development will continue to occur. The Village continues to make the revitalization of the Machesney Town Center (formerly known as the Machesney Park Mall) a primary focus to balance growth and redevelopment within the Village.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to James Richter II, Village Administrator or Michelle Johannsen, Finance & HR Manager, 300 Roosevelt Road, Machesney Park, Illinois 61115.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Statement of Net Position

April 30, 2022

See Following Page

VILLAGE OF MACHESNEY PARK, ILLINOIS

Statement of Net Position

April 30, 2022

	Governmental Activities
ASSETS	
Current Assets	
Cash and Investments	\$ 27,728,572
Receivables - Net of Allowances	3,290,687
Due from Other Governments	2,935,510
Prepays	64,960
Land Held for Resale	301,680
Total Current Assets	<u>34,321,409</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	47,860,326
Depreciable Capital Assets	116,325,494
Accumulated Depreciation	<u>(78,037,783)</u>
Total Capital Assets	86,148,037
Other Assets	
Net Pension Asset - IMRF	<u>386,333</u>
Total Noncurrent Assets	<u>86,534,370</u>
Total Assets	<u>120,855,779</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>63,296</u>
Total Assets and Deferred Outflows of Resources	<u>120,919,075</u>

The notes to the financial statements are an integral part of this statement.

	Governmental Activities
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 1,080,411
Accrued Payroll	32,963
Retainage Payable	137,313
Accrued Interest	13,003
Other Payables	72,600
Current Portion of Long-Term Debt	503,241
Total Current Liabilities	<u>1,839,531</u>
Noncurrent Liabilities	
Promissory Notes Payable	<u>2,273,857</u>
Total Liabilities	<u>4,113,388</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	3,019,900
Deferred Items - IMRF	600,355
Total Deferred Inflows of Resources	<u>3,620,255</u>
Total Liabilities and Deferred Inflows of Resources	<u>7,733,643</u>
NET POSITION	
Net Investment in Capital Assets	83,402,553
Restricted	
Public Safety	95,667
Community Development	20,000
Highways and Streets	3,100,266
Neighborhood Revitalization	40,164
Infrastructure Improvements/Debt Service	5,783,167
Unrestricted	<u>20,743,615</u>
Total Net Position	<u><u>113,185,432</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2022

		Program Revenues			Net (Expenses)/ Revenues
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	
	Expenses				
Governmental Activities					
General Government	\$ 3,032,842	637,998	28,324	—	(2,366,520)
Public Safety	3,916,394	303,043	—	—	(3,613,351)
Highways and Streets	6,783,105	—	974,446	2,401,465	(3,407,194)
Housing	258,239	—	1,888,485	—	1,630,246
Interest on Long-Term Debt	45,356	—	—	—	(45,356)
Total Governmental Activities	14,035,936	941,041	2,891,255	2,401,465	(7,802,175)
General Revenues					
Taxes					
Property Taxes					2,656,323
Road and Bridge Taxes					84,188
Utility Taxes					1,365,800
Other Taxes					717,890
Intergovernmental - Unrestricted					
State Income Taxes					3,392,371
State Sales Taxes					9,520,048
Local Use Taxes					891,617
Cannabis Use Tax					37,003
Casino Tax					73,864
Investment Income					48,603
Miscellaneous					337,058
					<u>19,124,765</u>
Change in Net Position					11,322,590
Net Position - Beginning					<u>101,862,842</u>
Net Position - Ending					<u><u>113,185,432</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2022

See Following Page

VILLAGE OF MACHESNEY PARK, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2022

		IL Rte. 251/173 Gateway TIF	Special North Second Street TIF
	General		
ASSETS			
Cash and Investments	\$ 15,419,713	121,929	385,401
Receivables - Net of Allowances			
Property Taxes	85,998	879,020	711,144
Other Taxes	79,478	—	27,855
Accounts	45,379	—	—
Interest	—	—	—
Due from Other Funds	196,958	—	—
Due from Other Governments	1,518,062	—	—
Advances to Other Funds	1,817,792	—	—
Prepays	64,960	—	—
Land Held for Resale	—	—	—
Total Assets	19,228,340	1,000,949	1,124,400
LIABILITIES			
Accounts Payable	554,229	814	2,058
Accrued Payroll	32,963	—	—
Retainage Payable	—	—	—
Due to Other Funds	291,634	—	—
Advances from Other Funds	—	791,776	897,956
Other Payables	72,600	—	—
Total Liabilities	951,426	792,590	900,014
DEFERRED INFLOWS OF RESOURCES			
Grants	1,542,996	—	—
Property Taxes	85,998	879,020	711,144
Other Taxes	554,550	—	9,307
Total Deferred Inflows of Resources	2,183,544	879,020	720,451
Total Liabilities and Deferred Inflows of Resources	3,134,970	1,671,610	1,620,465
FUND BALANCES			
Nonspendable	1,882,752	—	—
Restricted	115,667	—	—
Committed	2,700,000	—	—
Assigned	—	—	—
Unassigned	11,394,951	(670,661)	(496,065)
Total Fund Balances	16,093,370	(670,661)	(496,065)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	19,228,340	1,000,949	1,124,400

The notes to the financial statements are an integral part of this statement.

Revenue					
Weststone IJRL TIF	Build Machesney Roads	South Willow Creek IJRL TIF	Capital Projects	Nonmajor	Totals
416,077	4,448,269	217,483	3,541,693	3,178,007	27,728,572
613,284	—	706,367	653	23,434	3,019,900
—	—	—	—	—	107,333
—	—	—	—	115,481	160,860
—	—	—	—	2,594	2,594
—	—	—	—	291,634	488,592
—	1,066,338	—	—	351,110	2,935,510
—	—	—	—	772,358	2,590,150
—	—	—	—	—	64,960
—	—	—	301,680	—	301,680
1,029,361	5,514,607	923,850	3,844,026	4,734,618	37,400,151
1,955	110,194	—	4,951	406,210	1,080,411
—	—	—	—	—	32,963
—	137,313	—	—	—	137,313
—	—	—	—	196,958	488,592
566,166	—	334,252	—	—	2,590,150
—	—	—	—	—	72,600
568,121	247,507	334,252	4,951	603,168	4,402,029
—	—	—	—	207,131	1,750,127
613,284	—	706,367	653	23,434	3,019,900
—	401,518	—	—	—	965,375
613,284	401,518	706,367	653	230,565	5,735,402
1,181,405	649,025	1,040,619	5,604	833,733	10,137,431
—	—	—	301,680	—	2,184,432
—	4,865,582	—	—	4,058,015	9,039,264
—	—	—	—	—	2,700,000
—	—	—	3,536,742	—	3,536,742
(152,044)	—	(116,769)	—	(157,130)	9,802,282
(152,044)	4,865,582	(116,769)	3,838,422	3,900,885	27,262,720
1,029,361	5,514,607	923,850	3,844,026	4,734,618	37,400,151

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

April 30, 2022

Total Governmental Fund Balances	\$ 27,262,720
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	86,148,037
Revenue that is deferred in the funds financial statement because it is not available and recognized as revenue in the government-wide financial statements.	2,715,502
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	(537,059)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(31,614)
Net Pension Liability/(Asset) - IMRF	386,333
Capital Leases Payable	(6,810)
Promissory Notes Payable	(2,738,674)
Accrued Interest Payable	(13,003)
Net Position of Governmental Activities	<u>113,185,432</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MACHESNEY PARK, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2022**

See Following Page

VILLAGE OF MACHESNEY PARK, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended April 30, 2022

		IL Rte. 251/173 Gateway TIF	Special North Second Street TIF
	General		
Revenues			
Taxes	\$ 417,907	896,376	703,429
Intergovernmental	9,160,128	—	—
Charges for Services	358,281	—	—
Licenses and Permits	279,717	—	—
Fines and Fees	303,043	—	—
Investment Income	21,406	1,950	3,844
Miscellaneous	71,694	—	60,681
Total Revenues	10,612,176	898,326	767,954
Expenditures			
General Government	1,431,283	712,815	30,521
Public Safety	3,815,182	—	—
Highways and Streets	1,265,366	—	—
Housing	—	—	—
Capital Outlay	151,501	250,000	610,315
Debt Service			
Principal Retirement	19,793	—	314,921
Interest and Fiscal Charges	837	—	13,081
Total Expenditures	6,683,962	962,815	968,838
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,928,214	(64,489)	(200,884)
Other Financing Sources (Uses)			
Disposal of Capital Assets	—	—	123,500
Transfers In	—	18,990	56,799
Transfers Out	(1,115,789)	—	—
	(1,115,789)	18,990	180,299
Net Change in Fund Balances	2,812,425	(45,499)	(20,585)
Fund Balances - Beginning	13,280,945	(625,162)	(475,480)
Fund Balances - Ending	16,093,370	(670,661)	(496,065)

The notes to the financial statements are an integral part of the statement.

Revenue					
Weststone IJRL TIF	Build Machesney Roads	South Willow Creek IJRL TIF	Capital Projects	Nonmajor	Totals
687,907	249,593	484,130	653	1,385,065	4,825,060
—	4,121,074	—	—	2,311,797	15,592,999
—	—	—	—	—	358,281
—	—	—	—	—	279,717
—	—	—	—	—	303,043
1,636	5,751	1,244	4,004	8,768	48,603
—	—	—	190,179	14,504	337,058
689,543	4,376,418	485,374	194,836	3,720,134	21,744,761
7,954	—	7,707	19,962	645,187	2,855,429
—	—	—	—	—	3,815,182
—	457,647	—	—	478,034	2,201,047
—	—	—	—	258,239	258,239
124,248	3,737,460	321,776	443,486	165,940	5,804,726
149,897	—	—	—	—	484,611
18,435	—	—	—	—	32,353
300,534	4,195,107	329,483	463,448	1,547,400	15,451,587
389,009	181,311	155,891	(268,612)	2,172,734	6,293,174
—	—	—	42,000	—	165,500
—	1,500,000	—	1,000,000	40,000	2,615,789
—	—	—	—	(1,500,000)	(2,615,789)
—	1,500,000	—	1,042,000	(1,460,000)	165,500
389,009	1,681,311	155,891	773,388	712,734	6,458,674
(541,053)	3,184,271	(272,660)	3,065,034	3,188,151	20,804,046
(152,044)	4,865,582	(116,769)	3,838,422	3,900,885	27,262,720

The notes to the financial statements are an integral part of the statement.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities For the Fiscal Year Ended April 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 6,458,674
---	---------------------

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures; however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlays	3,668,753
Capital Contributions	1,885,239
Depreciation Expense	(3,086,642)
Disposals - Cost	(40,394)
Disposals - Accumulated Depreciation	6,443

Some revenues not collected as of the year end are not considered available revenues in the governmental funds. These are the amounts that were not considered available in the current year.

1,728,526

The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Change in Deferred Items - IMRF	(211,102)
---------------------------------	-----------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences Payable	3,883
Change in Net Pension Liability/(Asset) - IMRF	437,602
Retirement of Long-Term Debt - Net	484,611

Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

(13,003)

Changes in Net Position of Governmental Activities

11,322,590

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Machesney Park (the Village) was incorporated in 1981. The Village operates under President-Trustee form of government and provides the following services as authorized by statute: public safety (police), streets, public improvements, planning and zoning, financial and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61 "The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The Village's preservation of open space, recreational program activities, development and maintenance of the Village's public safety, housing, highways and streets, and general administration are all classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions (culture and recreation, etc.). The functions are supported by general government revenues (property taxes, certain intergovernmental revenues, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The net costs (by function) are normally covered by general revenue (property taxes, charges for services, interest income, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into one major category: governmental. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is a primary operating fund of the Village or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General Fund is the general operating fund of the Village. It accounts for all revenues and expenditures of the Village which are not accounted for in other funds. The General Fund is a major fund.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Governmental Funds - Continued

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains ten special revenue funds. The IL Rte. 251/173 Gateway TIF Fund (a major fund) is used account for the incremental property taxes realized within the Tax Increment Financing District (the District). Expenditures of these revenues are restricted to capital improvements and redevelopment within the District. The North Second Street TIF Fund (a major fund) is used to account for the incremental property taxes realized within the District and the proceeds of general obligation debt certificates and promissory notes. Expenditures of these revenues are restricted to capital improvements and redevelopment within the District. The Weststone IJRL TIF Fund (a major fund) is used to account for the incremental property taxes realized within the District and the proceeds of general obligation debt certificates and promissory notes. Expenditures of these revenues are restricted to capital improvements and redevelopment within the District, which is primarily for industrial growth. The Build Machesney Roads Fund (a major fund) is used to account for road maintenance and improvements in the Village. Revenues for these improvements are received from telecommunications and sales taxes which are restricted or committed for these purposes. The South Willow Creek IJRL TIF Fund (a major fund) is used to account for the incremental property taxes realized within the District. Expenditures of these revenues are restricted to capital improvements and redevelopment within the District.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Village maintains two capital projects funds. The Capital Projects Fund, a major fund, is used to account for the resources assigned for capital outlays, including acquisition or construction of capital facilities and other capital assets.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Measurement Focus - Continued

The accounting objectives of the “economic resources” measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For purpose of the Statement of Net Position, the Village's cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Village's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes.

Prepays/Land Held for Resale

Prepays/land held for resale are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/land held for resale are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more (depending on asset class) are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	20 - 40 Years
Vehicles	5 - 7 Years
Equipment and Software	3 - 7 Years
Infrastructure	10 - 40 Years

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Compensated Absences

Employees earn vacation based upon their length of service. Such pay is expected to be used by employees during the following fiscal year and is expended by the Village. In the event of termination, an employee is paid for accumulated vacation days. The total liability for these compensated absences will be payable from future resources and is accounted for in the government-wide financial statements. Sick leave does not vest and, therefore, is recognized only when used.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets."

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with GAAP. Annual budgets are adopted (at the fund level) for all funds on the modified accrual basis with a line item basis by fund. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year end.

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Village staff submits to the Village Board of Trustees a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to April 30, the budget is legally enacted by Village Board of Trustees action. This is the amount reported as original budget
- The Village Board of Trustees is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total budget of any fund must follow the same procedure as for the original adoption of the budget.
- Budgets are adopted and formal budgetary integration is employed as a management control device during the year for all funds.
- All budgets for these funds are adopted on a basis consistent with GAAP.
- Budgetary authority lapses at year end.
- State law requires that “expenditures be made in conformity with appropriations/budget.” As under the budget act, transfers between line items, departments and funds may be made by administrative action. The final budget reflects all amendments made.

DEFICIT FUND BALANCES

The following funds had deficit fund balance/net position as of the date of this report:

Fund	Deficit
IL Rte. 251/173 Gateway TIF	\$ 670,661
North Second Street TIF	496,065
Weststone IJRL TIF	152,044
South Willow Creek IJRL TIF	116,769
Flood Mitigation	157,130

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments." In addition, investments are separately held by several of the Village's funds.

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

Interest Rate Risk, Credit Risk, Concentration Risk, and Custodial Credit Risk

Deposits. At year-end, the carrying amount of the Village's deposits totaled \$26,026,194 and the bank balances totaled \$26,321,719. In addition, the Village has \$1,702,378 invested in the Illinois Funds at year-end, which has an average maturity of less than one year.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's policy limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village does not invest in securities and, therefore, the Village's investment policy does not address credit risk. At year-end, the Village's investments in the Illinois Funds was rated AAAM by Standard & Poor's.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy requires diversification of investments to avoid unreasonable risk but does not contain any specific diversification targets. At year-end, the Village does not have any investments over 5 percent of cash and investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires that funds on deposits in excess of FDIC coverage must be secured at least 110% of the fair market value of the net amount of the funds secured. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Interest Rate Risk, Credit Risk, Concentration Risk, and Custodial Credit Risk - Continued

Custodial Credit Risk - Continued. For an investment, this is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed with the underlying investments held by a third-party custodian and held in the Village's name. The Village's investment in the Illinois Funds is not subject to custodial credit risk.

PROPERTY TAXES

The Village does not levy a property tax. However, the Village receives one half of the Road and Bridge tax levied by Harlem and Rockford townships on the property within the Village. Further, incremental property taxes are received within Village established TIF districts.

Property taxes for 2021 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them in two fairly equal payments with a third lesser payment of any disputed taxes.

INTERFUND BALANCES

Interfund balances are advances in anticipation of receipts to cover temporary cash shortages.

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 196,958
Nonmajor Governmental	General	<u>291,634</u>
		<u><u>488,592</u></u>

The purposes of the significant interfund balances are as follows:

- \$196,958 paid by the General Fund for the Flood Mitigation Fund (nonmajor governmental) for flood grants to be reimbursed within one year.
- \$291,634 (\$253,657 and \$37,977) paid by the Sales Tax Rebate Fund and the Neighborhood Revitalization Fund, respectively, for the General Fund for sales tax rebates owed and administrative expenditures. Repayment is expected within one year.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND ADVANCES

Interfund advances as of the date of this report are as follows:

Receivable Fund	Payable Fund	Amount
General	IL Rte. 251/173 Gateway TIF	\$ 791,776
General	North Second Street TIF	690,598
General	Weststone IJRL TIF	1,166
General	South Willow Creek IJRL TIF	334,252
Nonmajor Governmental	North Second Street TIF	207,358
Nonmajor Governmental	Weststone IJRL TIF	<u>565,000</u>
		<u><u>2,590,150</u></u>

The purposes of the significant interfund advances are as follows:

- \$1,817,792 (\$791,776, \$690,598, \$1,166, and \$334,252) of expenditures paid by General Fund for administrative and capital projects expenditures for the benefit of the IL Rte. 251/173 Gateway TIF Fund, North Second Street TIF Fund, Weststone IJRL TIF Fund, and South Willow Creek IJRL TIF Fund, respectively. Repayment will not occur until the Districts generate additional incremental property tax revenue and is not expected within the next fiscal year.
- \$772,358 (\$207,358 and \$565,000) paid by the Utility Tax Fund for capital projects expenditures for the benefit of the North Second Street TIF Fund and Weststone IJRL TIF Fund, respectively. Repayment will not occur until the District creates additional incremental property tax revenue and is not expected in the next fiscal year.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
IL Rte. 251/173 Gateway TIF	General	\$ 18,990
North Second Street TIF	General	56,799
Capital Projects Fund	General	1,000,000
Nonmajor Governmental	General	40,000
Build Machesney Roads	Nonmajor Governmental	<u>1,500,000</u>
		<u><u>2,615,789</u></u>

The purposes of the significant interfund transfers are as follows:

- The \$18,990 transfer to the IL Rte. 251/173 Gateway TIF Fund from the General Fund was to fund the Village's required contribution of 10% of the property tax revenue for that year.
- The \$56,799 transfer to the North Second Street TIF Fund from the General Fund was to fund the Village's required contribution of 10% of the property tax revenue for that year.
- The \$1,000,000 transfer to the Capital Projects Fund from the General Fund was to fund the necessary capital improvements including traffic signals, land acquisition and facilities construction.
- The \$40,000 transfer to the Neighborhood Revitalization Fund (nonmajor) from the General Fund was to fund the administrative portion of a grant and for other necessary costs to improve housing blight and revitalization efforts throughout the Village.
- The \$1,500,000 transfer to the Build Machesney Roads Fund from the Utility Tax Fund (nonmajor) was to fund the necessary capital improvements.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 43,318,270	511,456	33,951	43,795,775
Construction in Progress	2,323,682	3,222,676	1,481,807	4,064,551
	45,641,952	3,734,132	1,515,758	47,860,326
Depreciable Capital Assets				
Buildings and Improvements	2,623,283	—	—	2,623,283
Vehicles	245,797	27,270	6,443	266,624
Equipment and Software	289,225	7,451	—	296,676
Infrastructure	109,871,965	3,266,946	—	113,138,911
	113,030,270	3,301,667	6,443	116,325,494
Less Accumulated Depreciation				
Buildings and Improvements	516,851	75,488	—	592,339
Vehicles	179,229	21,649	6,443	194,435
Equipment and Software	180,430	25,023	—	205,453
Infrastructure	74,081,074	2,964,482	—	77,045,556
	74,957,584	3,086,642	6,443	78,037,783
Total Net Depreciable Capital Assets	38,072,686	215,025	—	38,287,711
Total Net Capital Assets	83,714,638	3,949,157	1,515,758	86,148,037

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 41,841
Highways and Streets	3,044,801
	<u>3,086,642</u>

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

Capital Leases

The Village has entered into a lease agreement as lessee for financing the acquisition of equipment. Capital assets of \$75,020 have been added to machinery and equipment as a result of this capital lease. This lease agreement qualifies as a capital lease for accounting purposes and; therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. The capital lease has been recorded as a liability to governmental activities. Total amounts paid representing principal paid were \$19,793.

The future minimum lease payments and the net present value of these minimum lease payments are as follows:

Fiscal Year	Lease Payment
2023	\$ 6,877
Interest Portion	<u>(67)</u>
Principal Balance	<u><u>6,810</u></u>

Promissory Notes Payable

The Village enters into promissory notes payable to provide funds for various TIF related expenditures. Promissory notes payable are direct obligations and pledge the full faith and credit of the Village. Promissory notes payable currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$925,000 Promissory Note Payable of 2021A - Due in annual installments of \$185,000 plus semi-annual interest at 1.06% through January 1, 2026.	\$ 925,000	—	185,000	740,000
\$779,527 Promissory Note Payable of 2021B - Due in annual installments of \$129,921 plus semi-annual interest at 1.13% through January 1, 2027.	779,527	—	129,921	649,606
\$1,498,965 Promissory Note Payable of 2021C - Due in annual installments of \$149,896 plus semi-annual interest at 1.75% through January 1, 2031.	1,498,965	—	149,897	1,349,068
	<u>3,203,492</u>	<u>—</u>	<u>464,818</u>	<u>2,738,674</u>

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 35,497	3,883	7,766	31,614	31,614
Net Pension Liability/(Asset) - IMRF	51,269	—	437,602	(386,333)	—
Capital Leases Payable	26,603	—	19,793	6,810	6,810
Promissory Notes Payable	3,203,492	—	464,818	2,738,674	464,817
	<u>3,316,861</u>	<u>3,883</u>	<u>929,979</u>	<u>2,390,765</u>	<u>503,241</u>

The compensated absences and the net pension liability/(asset) are generally liquidated by the General Fund. Payments on capital leases payable are made by the General Fund. Payments on the promissory notes payable are made by the North Second Street TIF Fund and the Weststone IJRL TIF Fund.

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Promissory Notes Payable	
	Principal	Interest
2023	\$ 464,817	39,333
2024	464,817	33,196
2025	464,817	27,134
2026	464,817	20,922
2027	279,818	14,786
2028	149,897	10,639
2029	149,897	8,001
2030	149,897	5,319
2031	149,897	2,660
Totals	<u>2,738,674</u>	<u>161,990</u>

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2021	<u>\$ 412,733,419</u>
Legal Debt Limit - 8.625% of Equalized Assessed Value	35,598,257
Amount of Debt Applicable to Limit	
Promissory Note Payable of 2021A	(740,000)
Promissory Note Payable of 2021B	(649,606)
Promissory Note Payable of 2021C	<u>(1,349,068)</u>
Legal Debt Margin	<u>32,859,583</u>

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2022:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 86,148,037
Less Capital Related Debt:	
Capital Leases	(6,810)
Promissory Note Payable of 2021A	(740,000)
Promissory Note Payable of 2021B	(649,606)
Promissory Note Payable of 2021C	<u>(1,349,068)</u>
Net Investment in Capital Assets	<u>83,402,553</u>

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The Village's policy manual states that the General Fund should maintain a minimum fund balance equal to 75% of the following year's budgeted operating expenditures less capital outlay expenditures and that the Motor Fuel Tax Fund should maintain a minimum fund balance equal to 25% of the following year's budgeted operating expenditures less capital outlay expenditures.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue					Capital Projects	Nonmajor	Totals
		IL Rte. 251/173 Gateway TIF	North Second Street TIF	Weststone LJRL TIF	Build Machesney Roads	South Willow Creek LJRL TIF			
Fund Balances									
Nonspendable									
Advances to Other Funds	\$ 1,817,792	—	—	—	—	—	—	—	1,817,792
Prepays	64,960	—	—	—	—	—	—	—	64,960
Land Held for Resale	—	—	—	—	—	—	301,680	—	301,680
	<u>1,882,752</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>301,680</u>	<u>—</u>	<u>2,184,432</u>
Restricted									
Public Safety	95,667	—	—	—	—	—	—	—	95,667
Community Development	20,000	—	—	—	—	—	—	—	20,000
Highways and Streets	—	—	—	—	—	—	—	3,100,266	3,100,266
Neighborhood Revitalization	—	—	—	—	—	—	—	40,164	40,164
Infrastructure Improvements/Debt Service	—	—	—	—	4,865,582	—	—	917,585	5,783,167
	<u>115,667</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,865,582</u>	<u>—</u>	<u>—</u>	<u>4,058,015</u>	<u>9,039,264</u>
Committed									
Working Cash	2,700,000	—	—	—	—	—	—	—	2,700,000
Assigned									
Capital Projects	—	—	—	—	—	—	2,636,742	—	2,636,742
Housing/Flood Relief	—	—	—	—	—	—	900,000	—	900,000
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,536,742</u>	<u>—</u>	<u>3,536,742</u>
Unassigned	11,394,951	(670,661)	(496,065)	(152,044)	—	(116,769)	—	(157,130)	9,802,282
Total Fund Balances	<u>16,093,370</u>	<u>(670,661)</u>	<u>(496,065)</u>	<u>(152,044)</u>	<u>4,865,582</u>	<u>(116,769)</u>	<u>3,838,422</u>	<u>3,900,885</u>	<u>27,262,720</u>

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; natural disasters; and employee health.

Illinois Municipal League Risk Management Association (IMLRMA) and Employee Health

The Village is a member of IMLRMA, joint risk management pool of Illinois municipalities through which property, general liability, automobile liability, crime, public officials' and workers' compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. Gallagher Williams-Manny serves as the Village's consultant and Blue Cross Blue Shield is the insurer for employee healthcare and Principal Financial Group is the insurer for employee dental care.

The amount of settlements did not exceed insurance coverage in any of the last three years.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES

Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Village's operations and financial position cannot be determined.

COMMITMENTS

Construction

At year end, the Village had active construction projects. The commitments related to the remaining contract balances as of April 30, 2022 are summarized as follows:

Project	Contract Amount	Amount Paid to Date	Balance Remaining
Bauer/Victory Traffic Signals	\$ 30,478	24,541	5,937
Flood Mitigation Grant	353,900	—	353,900
	384,378	24,541	359,837

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

COMMITMENTS - Continued

Rockford Mass Transit District

The Village has entered into an ongoing intergovernmental agreement with the Rockford Mass Transit District for the provision of fixed route and paratransit service within the Village and connections to the cities of Rockford and Loves Park.

WinGIS

The Village entered into a cooperative agreement in May 2000 and updated in October 2018, with WinGIS and several governmental jurisdictions within the County of Winnebago. The agreement provided for the establishment and operation of a comprehensive geographic information system (WinGIS) that maintains a database of all infrastructure, facilities, land uses, property divisions and natural resources including their precise geographical locations. All participants share costs associated with the database. The agreement remains in force continuously and is automatically renewed for one year terms with the start of each new fiscal year thereafter.

City of Loves Park

In May 2006, the Village eliminated its building inspection department and outsourced inspection services to Winnebago County (the County). Effective October 19, 2017, the Village terminated the County agreement and entered into an agreement with the City of Loves Park (the City) for building inspection services. On a monthly basis, the Village shall remit to the City 50% of all permit fees collected for building inspections made during the prior calendar month. This agreement shall remain in full force and effect until terminated by the Village or City with 60 days written notice.

Winnebago County Sheriff's Department

Law enforcement services for the Village are provided through a contract with the Winnebago County Sheriff's Department (the County). The County furnishes the Village with all police personnel, supervision personnel and equipment necessary to effectively maintain the level of police protection to be rendered. The Village owns and maintains the police sub-station facility at Village Hall and maintains all squads with attached equipment. The agreement outlines the number of patrol officers, detectives and sergeants assigned specifically to the Village. The agreement may be terminated by either party upon written notice of termination date provided to the other party at least two years prior to such termination. On June 20, 2020, Resolution 37-R-20 was approved, extending the intergovernmental agreement for police services with Winnebago County to April 30, 2024.

Rockford Metropolitan Agency for Planning/Region 1 Planning Council

The Village entered into an agreement with Rockford Metropolitan Agency for Planning/Region 1 Planning Council for a joint transportation planning organization (MPO) in October 2018. The MPO will develop and maintain long range transportation plans and improvement programs. The agreement shall remain in force continuously and shall be automatically renewed on each succeeding June 30th following initial ratification, unless a member presents written notice of intention to terminate at least six months prior to the annual automatic renewal date. The agreement may also be terminated or amended at any time upon unanimous mutual consent of the members.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

COMMITMENTS - Continued

Northern Illinois Land Bank Authority

The Village entered into an agreement to be a member of the Northern Illinois Land Bank Authority (the Land Bank) in March 2019. The Land Bank is a consortium of units of local government, known as members, and is governed by a Board of Trustees, of which the Village has one position. The Region 1 Planning Council is the host organization and serves as the Presiding Officer. The Land Bank will combat community deterioration by returning properties to productive use throughout the region. The agreement shall be renewed automatically for one year terms unless otherwise terminated or the Land Bank is dissolved.

County of Winnebago

The Village entered into an Intergovernmental Agreement with the County of Winnebago (the County) in 2015, wherein the Village pledged \$20,000 per year for a period of twenty (20) consecutive years, to provide funds to the County in support of the AAR Corporation MRO Project at the Greater Rockford Airport Authority. Certain conditions in this agreement must be met on an annual basis in order for the Village payment to occur. For the fiscal year ended April 30, 2022, the Village paid \$20,000; the Village's remaining commitment is \$280,000.

Economic Incentive Agreements

The Village has entered into several economic incentive agreements with commercial entities, whereby the Village has agreed to reimburse the commercial entity for certain redevelopment costs incurred by the commercial entity through sales tax rebates. The agreements expire in September 2029. For the fiscal year ended April 30, 2022, the Village paid \$628,340.

Illinois Fiber Resources Group

The Village entered into a Master Services Agreement with Illinois Fiber Resources Group (iFiber) in April 2019, for network services regarding the Village's internet access to WinGIS. The service term is for five years and the Village may terminate the agreement upon sixty-day notice.

Azavar Audit Solutions

The Village entered into a contingent fee professional services agreement in January 2019, to allow Azavar Audit Solutions (Azavar) to conduct a municipal revenue review of certain utilities and taxes. The Village will pay Azavar forty percent of any new revenues recovered for thirty-six months. The agreement is effective for sixty months or until such time as all audits are completed.

Tax Abatements

The Village rebates certain business district sales tax to encourage economic development within the Village. The terms of the rebate agreement are specified within a written agreement with the developer and was approved by the Village Board. The Village rebated \$4,886 of business district sales tax during the year ended April 30, 2022. The agreement allows for a maximum rebate of up to sixty thousand dollars or rebates paid over ten years from the date the business began operating, whichever is earlier; the ten-year expiration is September 30, 2027. Future rebates up to \$48,693 of business district sales tax may be rebated in upcoming years.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

COMMITMENTS - Continued

Winnebago County Central Dispatch System PSAP Center

The Village and eight other local municipalities entered into an intergovernmental agreement with Winnebago County regarding the County's Dispatch System Public Safety Answering Point (PSAP) Center. The PSAP provides call taking and dispatching of 9-1-1 calls for the Village. The agreement outlines the funding contributions provided by each municipality that is a party to the agreement and created a PSAP Board with certain powers and duties regarding PSAP operations.

Latham Park River Gauge

The Village entered into a Joint Funding Agreement with the U.S. Geological Survey Central Midwest Water Science Center (USGS) for a five-year term ending March 31, 2026. The agreement outlines that the USGS will provide the operation and maintenance of the river gauge on the Rock River at Latham Park and the Village will contribute \$5,500 annually for the necessary field and analytical work. The maps, records, and reports of data taken from the river gauge can be found at <https://tinyurl.com/rockriverlatham>. The data provides the river levels at various points daily, measured in feet and flow, as well as forecasts for high water levels, and provides information on flood categories and possible impacts from river flooding.

Due to the impact of the river within the Village and throughout the region, the Village entered into an Intergovernmental Agreement with the City of Loves Park and Winnebago County to share equally in the annual cost. Therefore, each party pays \$1,833.33 annually through March 31, 2026.

Building Official and Plan Review Services

The Village entered into a Professional Services Agreement with Safebuilt, LLC to provide Building Official Services and Remote Plan Review Services. The services help residents and businesses ensure compliance with the Village's building code requirements. The agreement automatically renews for twelve-month terms unless prior written notification is provided within thirty days of the renewal date.

Flood mitigation

The Village was awarded a grant from the Illinois Emergency Management Agency (IEMA) through FEMA, to acquire up to seventeen (17) flood-prone properties. The Village procured and entered into seven contracts for services to conduct the requirements of the grant: 1) Project Management; 2) Legal Services; 3) Certified Residential Appraiser; 4) Title, Escrow, and Closing Services; 5) Asbestos Inspector; 6) Engineer for demolition oversight; and 7) Demolition and site-restoration contractor. The grant and associated contracts expire on May 27, 2024.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

The Village contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Descriptions

Plan Administration. All hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired **on or after** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Plan Membership. As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	29
Inactive Plan Members Entitled to but not yet Receiving Benefits	20
Active Plan Members	<u>16</u>
Total	<u><u>65</u></u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2022, the Village's contribution was 11.35% of covered payroll.

Net Pension Liability/(Asset). The Village's net pension liability/(asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of December 31, 2021.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	3.25%
Inflation	2.25%

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued. For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.00%	-0.60%
Domestic Equities	39.00%	1.90%
International Equities	15.00%	3.15%
Real Estate	10.00%	3.30%
Blended	10.00%	1.70% - 5.50%
Cash and Cash Equivalents	1.00%	-0.90%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF MACHESNEY PARK, ILLINOIS**Notes to the Financial Statements****April 30, 2022****NOTE 4 - OTHER INFORMATION - Continued****EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued****Illinois Municipal Retirement Fund (IMRF) - Continued****Discount Rate Sensitivity**

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the Village calculated using the discount rate as well as what the Village's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 229,921	(386,333)	(878,104)

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/ (Asset) (A) - (B)
Balances at December 31, 2020	\$ 4,625,213	4,573,944	51,269
Changes for the Year:			
Service Cost	79,667	—	79,667
Interest on the Total Pension Liability	330,351	—	330,351
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	46,186	—	46,186
Changes of Assumptions	—	—	—
Contributions - Employer	—	98,274	(98,274)
Contributions - Employees	—	37,862	(37,862)
Net Investment Income	—	775,019	(775,019)
Benefit Payments, Including Refunds of Employee Contributions	(216,967)	(216,967)	—
Other (Net Transfer)	—	(17,349)	17,349
Net Changes	239,237	676,839	(437,602)
Balances at December 31, 2021	4,864,450	5,250,783	(386,333)

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2022, the Village recognized pension revenue of \$125,978. At April 30, 2022, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 33,523	—	33,523
Change in Assumptions	—	(9,829)	(9,829)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	—	(590,526)	(590,526)
Total Pension Expense to be			
Recognized in Future Periods	33,523	(600,355)	(566,832)
Pension Contributions Made Subsequent			
to the Measurement Date	29,773	—	29,773
Total Deferred Amounts Related to IMRF	63,296	(600,355)	(537,059)

\$29,773 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2023	\$ (111,337)
2024	(221,028)
2025	(145,072)
2026	(89,395)
2027	—
Thereafter	—
Total	(566,832)

VILLAGE OF MACHESNEY PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

The Village has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, there is minimal participation. As the Village provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. Therefore, the Village has not recorded a liability as of April 30, 2022.

SUBSEQUENT EVENTS

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The Village has been allocated \$3,085,991 to be received in two installments. On October 7th, 2021 the Village received their first installment of \$1,541,403, and on November 11th, 2021 the Village received another installment of \$1,592. The Village received their final installment on September 14th, 2022 in the amount of \$1,542,996.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedules
General Fund
IL Rte. 251/173 Gateway TIF Fund
North Second Street TIF Fund
Weststone IJRLTIF Fund
Build Machesney Roads Fund
South Willow Creek IJRL TIF Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Illinois Municipal Retirement Fund Schedule of Employer Contributions April 30, 2022

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 81,424	\$ 81,424	\$ —	\$ 765,244	10.64%
2017	87,307	87,307	—	807,288	10.81%
2018	93,078	93,078	—	847,066	10.99%
2019	94,883	94,883	—	857,137	11.07%
2020	101,964	101,964	—	907,487	11.24%
2021	100,593	100,593	—	807,847	12.45%
2022	100,522	100,522	—	885,558	11.35%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF MACHESNEY PARK, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

April 30, 2022

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 82,066
Interest	233,430
Differences Between Expected and Actual Experience and Actual Experience	9,959
Change of Assumptions	4,073
Benefit Payments, Including Refunds of Member Contributions	<u>(152,044)</u>
Net Change in Total Pension Liability	177,484
Total Pension Liability - Beginning	<u>3,151,539</u>
Total Pension Liability - Ending	<u><u>3,329,023</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 78,973
Contributions - Members	51,486
Net Investment Income	14,687
Benefit Payments, Including Refunds of Member Contributions	(152,044)
Other (Net Transfer)	<u>(38,339)</u>
Net Change in Plan Fiduciary Net Position	(45,237)
Plan Net Position - Beginning	<u>2,948,114</u>
Plan Net Position - Ending	<u><u>2,902,877</u></u>
Employer's Net Pension Liability/(Asset)	<u><u>\$ 426,146</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.20%
Covered Payroll	\$ 765,244
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	55.69%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2015 and 2017.

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
79,499	90,496	86,197	94,310	98,268	79,667
246,635	271,072	285,502	306,335	317,005	330,351
151,126	138,506	92,357	(62,374)	49,185	46,186
(9,115)	(132,774)	125,508	—	(56,903)	—
(143,014)	(170,226)	(175,254)	(174,766)	(211,385)	(216,967)
325,131	197,074	414,310	163,505	196,170	239,237
3,329,023	3,654,154	3,851,228	4,265,538	4,429,043	4,625,213
3,654,154	3,851,228	4,265,538	4,429,043	4,625,213	4,864,450
85,330	89,789	97,308	93,998	112,651	98,274
41,147	37,551	38,344	40,517	39,697	37,862
202,146	543,066	(199,314)	645,039	569,405	775,019
(143,014)	(170,226)	(175,254)	(174,766)	(211,385)	(216,967)
15,138	(25,439)	66,196	12,792	40,351	(17,349)
200,747	474,741	(172,720)	617,580	550,719	676,839
2,902,877	3,103,624	3,578,365	3,405,645	4,023,225	4,573,944
3,103,624	3,578,365	3,405,645	4,023,225	4,573,944	5,250,783
550,530	272,863	859,893	405,818	51,269	(386,333)
84.93%	92.91%	79.84%	90.84%	98.89%	107.94%
807,288	834,467	852,094	900,377	882,151	841,384
68.19%	32.70%	100.92%	45.07%	5.81%	(45.92%)

VILLAGE OF MACHESNEY PARK, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2022

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues			
Taxes	\$ 255,000	255,000	417,907
Intergovernmental	6,387,400	7,387,400	9,160,128
Charges for Services	329,000	329,000	358,281
Licenses and Permits	243,500	243,500	279,717
Fines and Fees	188,000	188,000	303,043
Investment Income	40,000	40,000	21,406
Miscellaneous	2,000	2,000	71,694
Total Revenues	7,444,900	8,444,900	10,612,176
Expenditures			
General Government	1,673,900	1,673,900	1,431,283
Public Safety	3,835,300	3,832,400	3,815,182
Highways and Streets	1,638,000	1,631,500	1,265,366
Capital Outlay	152,000	161,400	151,501
Debt Service			
Principal Retirement	19,800	19,800	19,793
Interest and Fiscal Charges	900	900	837
Total Expenditures	7,319,900	7,319,900	6,683,962
Excess (Deficiency) of Revenues Over (Under) Expenditures	125,000	1,125,000	3,928,214
Other Financing (Uses)			
Transfers Out	(125,000)	(1,125,000)	(1,115,789)
Net Change in Fund Balance	—	—	2,812,425
Fund Balance - Beginning			13,280,945
Fund Balance - Ending			16,093,370

VILLAGE OF MACHESNEY PARK, ILLINOIS**IL Rte. 251/173 Gateway TIF - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended April 30, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 945,000	945,000	896,376
Investment Income	—	—	1,950
Total Revenues	945,000	945,000	898,326
Expenditures			
General Government			
Contractual Services	777,000	777,000	712,815
Capital Outlay	250,000	250,000	250,000
Total Expenditures	1,027,000	1,027,000	962,815
Excess (Deficiency) of Revenues Over (Under) Expenditures	(82,000)	(82,000)	(64,489)
Other Financing Sources			
Transfers In	25,000	25,000	18,990
Net Change in Fund Balance	(57,000)	(57,000)	(45,499)
Fund Balance - Beginning			(625,162)
Fund Balance - Ending			(670,661)

VILLAGE OF MACHESNEY PARK, ILLINOIS

North Second Street TIF - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2022

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues			
Taxes			
Property Taxes	\$ 540,000	540,000	567,992
Other Taxes	105,000	105,000	135,437
Investment Income	2,000	2,000	3,844
Miscellaneous			
Other	30,300	30,300	60,681
Total Revenues	677,300	677,300	767,954
Expenditures			
General Government			
Contractual Services	69,800	73,000	30,521
Capital Outlay	660,400	657,200	610,315
Debt Service			
Principal Retirement	315,000	315,000	314,921
Interest and Fiscal Charges	14,200	14,200	13,081
Total Expenditures	1,059,400	1,059,400	968,838
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(382,100)	(382,100)	(200,884)
Other Financing Sources			
Disposal of Capital Assets	—	—	123,500
Transfers In	60,000	60,000	56,799
	60,000	60,000	180,299
Net Change in Fund Balance	(322,100)	(322,100)	(20,585)
Fund Balance - Beginning			(475,480)
Fund Balance - Ending			(496,065)

VILLAGE OF MACHESNEY PARK, ILLINOIS

Weststone IJRL TIF - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 550,000	579,300	687,907
Investment Income	—	—	1,636
Total Revenues	550,000	579,300	689,543
Expenditures			
General Government			
Contractual Services	57,500	57,500	7,954
Capital Outlay	125,000	154,300	124,248
Debt Service			
Principal Retirement	149,900	149,900	149,897
Interest and Fiscal Charges	20,100	20,100	18,435
Total Expenditures	352,500	381,800	300,534
Net Change in Fund Balance	197,500	197,500	389,009
Fund Balance - Beginning			(541,053)
Fund Balance - Ending			(152,044)

VILLAGE OF MACHESNEY PARK, ILLINOIS**Build Machesney Roads - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended April 30, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Telecommunications Taxes	\$ 248,000	248,000	249,593
Intergovernmental			
State Sales Taxes	3,000,000	3,000,000	4,119,458
Agreements	—	—	1,616
Investment Income	1,000	1,000	5,751
Total Revenues	3,249,000	3,249,000	4,376,418
Expenditures			
Highways and Streets			
Contractual Services	496,500	496,500	457,598
Miscellaneous	200	200	49
Capital Outlay	4,019,000	4,019,000	3,737,460
Total Expenditures	4,515,700	4,515,700	4,195,107
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,266,700)	(1,266,700)	181,311
Other Financing Sources			
Transfers In	1,096,800	1,500,000	1,500,000
Net Change in Fund Balance	(169,900)	233,300	1,681,311
Fund Balance - Beginning			3,184,271
Fund Balance - Ending			4,865,582

VILLAGE OF MACHESNEY PARK, ILLINOIS**South Willow Creek IJRL TIF - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended April 30, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 600,000	600,000	484,130
Investment Income	—	—	1,244
Total Revenues	600,000	600,000	485,374
Expenditures			
General Government			
Contractual Services	23,500	23,500	7,707
Capital Outlay	412,000	412,000	321,776
Total Expenditures	435,500	435,500	329,483
Net Change in Fund Balance	164,500	164,500	155,891
Fund Balance - Beginning			(272,660)
Fund Balance - Ending			(116,769)

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
- Consolidated Year-End Financial Report

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

IL Rte. 251/173 Gateway TIF Fund

The IL Rte. 251/173 Gateway TIF Fund is used to account for the incremental property taxes realized within the Tax Increment Financing District (the District). Expenditures of these revenues are restricted to capital improvements and redevelopment within the District.

North Second Street TIF Fund

The North Second Street TIF Fund is used to account for the incremental property taxes realized within the Tax Increment Financing District (the District) and the proceeds of general obligation debt certificates and promissory notes. Expenditures of these revenues are restricted to capital improvements and redevelopment within the District.

Weststone IJRL TIF Fund

The Weststone IJRL TIF Fund is used to account for the incremental property taxes realized within the Tax Increment Financing District (the District) and the proceeds of general obligation debt certificates and promissory notes. Expenditures of these revenues are restricted to capital improvements and redevelopment within the District, which is primarily for industrial growth.

Build Machesney Roads Fund

The Build Machesney Roads Fund is used to account for road maintenance and improvements in the Village. Revenues for these improvements are received from telecommunications and sales taxes which are restricted or committed for these purposes.

South Willow Creek IJRL TIF Fund

The South Willow Creek IJRL TIF Fund is used to account for the incremental property taxes realized within the Tax Increment Financing District (the District). Expenditures of these revenues are restricted to capital improvements and redevelopment within the District.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for the for motor fuel tax allocations from the State of Illinois and expenditures related to the Village's annual road rehabilitation and construction program.

INDIVIDUAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS - Continued

North Willow Creek IJRL TIF Fund

The North Willow Creek IJRL TIF Fund is used to account for the incremental property taxes realized within the Tax Increment Financing District (the District). Expenditures of these revenues are restricted to capital improvements and redevelopment within the District.

Sales Tax Rebate Fund

The Sales Tax Rebate Fund is used to account for the portion of sales tax revenues rebated based on Board approved incentive agreements.

Flood Mitigation Fund

The Flood Mitigation Fund is used to account for grant monies received from Federal and State sources to mitigate flood prone residential properties along the Rock River. Mitigation efforts consist of acquiring residential properties through voluntary participation by residents and converting the lot to open green space indefinitely.

Neighborhood Revitalization Fund

The Neighborhood Revitalization Fund is used to account for various activities relating to improving the neighborhoods throughout the Village. Programs include the *Single Family Rehab program* (SFR) - grant monies are received from the IL Housing Development Authority (IHDA) to assist qualifying residents in making necessary repairs or upgrades to their home through a forgivable loan; *Abandoned Property Program* (APP) - grant monies received from IHDA to assist the Village in repairing or demolishing abandoned structures; and the *Initiative To Abate Housing Blight* (ITAHB) - a portion of general fund revenues are set aside by the Board to combat housing blight within the Village.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital assets (other than those financed by business-type/proprietary funds).

Capital Projects Fund

The Capital Projects Fund is used to account for the resources assigned for capital outlays, including acquisition or construction of capital facilities and other capital assets.

Utility Tax Fund

The Utility Tax Fund is used to account for revenues received from the Village municipal fees placed on natural gas and electric utilities and the corresponding expenditures.

VILLAGE OF MACHESNEY PARK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended April 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Hotel/Motel Tax	\$ 1,000	1,000	3,375
Video Gaming Tax	178,000	178,000	327,700
Auto Rental Tax	1,000	1,000	2,644
Road and Bridge Tax	75,000	75,000	84,188
Total Taxes	255,000	255,000	417,907
Intergovernmental			
State Income Taxes	2,335,000	2,635,000	3,348,862
State Sales Taxes	3,513,000	4,013,000	4,772,250
Local Use Taxes	500,000	700,000	899,825
Cannabis Use Tax	21,000	21,000	37,003
Casino Tax	—	—	73,864
Agreements	15,900	15,900	25,824
Grants	2,500	2,500	2,500
Total Intergovernmental	6,387,400	7,387,400	9,160,128
Charges for Services			
Cablevision Franchise Fee	290,000	290,000	304,766
Natural Gas Franchise Fee	24,000	24,000	28,948
Plan Review	6,000	6,000	11,645
Professional Services Reimbursement	5,000	5,000	5,523
Mowing Services	4,000	4,000	7,399
Total Charges for Services	329,000	329,000	358,281

VILLAGE OF MACHESNEY PARK, ILLINOIS**General Fund****Schedule of Revenues - Budget and Actual - Continued****For the Fiscal Year Ended April 30, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues - Continued			
Licenses and Permits			
Liquor License	\$ 70,500	70,500	86,525
Building Permits	160,000	160,000	161,136
MS4 Permits	3,000	3,000	—
Vehicle Overweight Permits	5,000	5,000	11,650
Other Permits	5,000	5,000	20,406
Total Licenses and Permits	243,500	243,500	279,717
Fines and Fees			
Circuit Court Fines	150,000	150,000	183,739
Drug Recovery Fees	500	500	13,673
Electronic Citation Fees	1,500	1,500	2,837
Parking Fines	7,000	7,000	11,010
Zoning Fines	5,000	5,000	4,959
Impound Fees	24,000	24,000	86,800
Police Vehicle Fees	—	—	25
Total Fines and Fees	188,000	188,000	303,043
Investment Income	40,000	40,000	21,406
Miscellaneous			
Other	2,000	2,000	71,694
Total Revenues	7,444,900	8,444,900	10,612,176

VILLAGE OF MACHESNEY PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended April 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Expenditures			
General Government			
Administrative			
Personnel	\$ 540,600	527,100	459,549
Contractual Services	153,700	165,700	157,379
Indirect Employee Expenditures	10,400	10,400	3,649
Office Expenditures	22,500	22,500	20,798
Materials and Supplies	19,300	19,300	14,080
Miscellaneous	4,000	4,000	1,657
	<u>750,500</u>	<u>749,000</u>	<u>657,112</u>
Executive			
Personnel	202,600	201,800	184,746
Indirect Employee Expenditures	14,800	15,600	8,543
	<u>217,400</u>	<u>217,400</u>	<u>193,289</u>
Community Development			
Personnel	247,800	249,300	245,581
Contractual Services	361,700	356,900	250,972
Indirect Employee Expenditures	26,300	26,300	20,512
Office Expenditures	16,000	16,000	11,920
Materials and Supplies	12,700	12,700	9,104
Miscellaneous	41,500	46,300	42,793
	<u>706,000</u>	<u>707,500</u>	<u>580,882</u>
Total General Government	<u>1,673,900</u>	<u>1,673,900</u>	<u>1,431,283</u>

VILLAGE OF MACHESNEY PARK, ILLINOIS**General Fund****Schedule of Expenditures - Budget and Actual - Continued****For the Fiscal Year Ended April 30, 2022**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Expenditures - Continued			
Public Safety			
Police			
Contractual Services	\$ 3,692,300	3,692,300	3,680,371
Office Expenditures	23,000	20,500	16,092
Materials and Supplies	115,000	114,600	113,498
Miscellaneous	5,000	5,000	5,221
Total Public Safety	3,835,300	3,832,400	3,815,182
Highways and Streets			
Public Works			
Personnel	435,300	398,300	358,445
Contractual Services	534,200	579,800	488,327
Indirect Employee Expenditures	3,600	3,600	1,056
Office Expenditures	61,200	55,200	57,082
Materials and Supplies	28,600	28,600	24,509
Streets	338,900	318,800	196,455
Maintenance	207,200	218,200	115,021
Parks	25,000	25,000	22,869
Miscellaneous	4,000	4,000	1,602
Total Highways and Streets	1,638,000	1,631,500	1,265,366
Capital Outlay			
General Government	3,500	3,500	3,401
Public Safety	115,000	117,900	110,587
Highways and Streets	33,500	40,000	37,513
Total Capital Outlay	152,000	161,400	151,501
Debt Service			
Principal Retirement	19,800	19,800	19,793
Interest and Fiscal Charges	900	900	837
Total Debt Service	20,700	20,700	20,630
Total Expenditures	7,319,900	7,319,900	6,683,962

VILLAGE OF MACHESNEY PARK, ILLINOIS

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2022

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues			
Taxes			
Property Taxes	\$ 600	600	653
Investment Income	2,500	2,500	4,004
Miscellaneous			
Developer Contributions	—	190,100	190,179
Total Revenues	3,100	193,200	194,836
Expenditures			
General Government			
Contractual Services	10,000	27,000	19,962
Capital Outlay	59,000	455,100	443,486
Total Expenditures	69,000	482,100	463,448
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(65,900)	(288,900)	(268,612)
Other Financing Sources (Uses)			
Disposal of Capital Assets	—	—	42,000
Transfers In	—	1,000,000	1,000,000
Transfers Out	—	(35,000)	—
	—	965,000	1,042,000
Net Change in Fund Balance	(65,900)	676,100	773,388
Fund Balance - Beginning			3,065,034
Fund Balance - Ending			3,838,422

VILLAGE OF MACHESNEY PARK, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2022

		Motor Fuel Tax
ASSETS		
Cash and Investments	\$	3,088,602
Receivables - Net of Allowances		
Property Taxes		—
Accounts		—
Accrued Interest		2,594
Due from Other Funds		—
Due from Other Governments		78,854
Advances to Other Funds		—
Total Assets		<u>3,170,050</u>
LIABILITIES		
Accounts Payable		76,732
Due to Other Funds		—
Total Liabilities		<u>76,732</u>
DEFERRED INFLOWS OF RESOURCES		
Grants		—
Property Taxes		—
Total Deferred Inflows of Resources		—
Total Liabilities and Deferred Inflows of Resources		<u>76,732</u>
FUND BALANCES		
Restricted		3,093,318
Unassigned		—
Total Fund Balances		<u>3,093,318</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances		<u>3,170,050</u>

North Willow Creek IJRL TIF	Special Revenue			Capital Projects Utility Tax	Totals
	Sales Tax Rebate	Flood Mitigation	Neighborhood Revitalization		
9,171	—	50,000	—	30,234	3,178,007
23,434	—	—	—	—	23,434
—	—	—	—	115,481	115,481
—	—	—	—	—	2,594
—	253,657	—	37,977	—	291,634
—	—	207,131	65,125	—	351,110
—	—	—	—	772,358	772,358
32,605	253,657	257,131	103,102	918,073	4,734,618
2,223	253,657	10,172	62,938	488	406,210
—	—	196,958	—	—	196,958
2,223	253,657	207,130	62,938	488	603,168
—	—	207,131	—	—	207,131
23,434	—	—	—	—	23,434
23,434	—	207,131	—	—	230,565
25,657	253,657	414,261	62,938	488	833,733
6,948	—	—	40,164	917,585	4,058,015
—	—	(157,130)	—	—	(157,130)
6,948	—	(157,130)	40,164	917,585	3,900,885
32,605	253,657	257,131	103,102	918,073	4,734,618

VILLAGE OF MACHESNEY PARK, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended April 30, 2022

	<u>Motor Fuel Tax</u>
Revenues	
Taxes	\$ —
Intergovernmental	1,489,056
Investment Income	7,173
Miscellaneous	—
Total Revenues	<u>1,496,229</u>
Expenditures	
General Government	—
Highways and Streets	478,034
Housing	—
Capital Outlay	—
Total Expenditures	<u>478,034</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,018,195</u>
Other Financing Sources (Uses)	
Transfers In	—
Transfers Out	—
	<u>—</u>
Net Change in Fund Balances	1,018,195
Fund Balances - Beginning	<u>2,075,123</u>
Fund Balances - Ending	<u><u>3,093,318</u></u>

North Willow Creek IJRL TIF	Special Revenue			Capital Projects	Totals
	Sales Tax Rebate	Flood Mitigation	Neighborhood Revitalization	Utility Tax	
19,265	—	—	—	1,365,800	1,385,065
—	628,340	—	194,401	—	2,311,797
60	—	—	—	1,535	8,768
—	—	—	14,504	—	14,504
19,325	628,340	—	208,905	1,367,335	3,720,134
5,392	628,340	9,288	—	2,167	645,187
—	—	—	—	—	478,034
—	—	—	258,239	—	258,239
22,777	—	143,163	—	—	165,940
28,169	628,340	152,451	258,239	2,167	1,547,400
(8,844)	—	(152,451)	(49,334)	1,365,168	2,172,734
—	—	—	40,000	—	40,000
—	—	—	—	(1,500,000)	(1,500,000)
—	—	—	40,000	(1,500,000)	(1,460,000)
(8,844)	—	(152,451)	(9,334)	(134,832)	712,734
15,792	—	(4,679)	49,498	1,052,417	3,188,151
6,948	—	(157,130)	40,164	917,585	3,900,885

VILLAGE OF MACHESNEY PARK, ILLINOIS**Motor Fuel Tax - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended April 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues			
Intergovernmental			
Motor Fuel Tax	\$ 900,000	900,000	972,830
Grants	516,200	516,200	516,226
Investment Income	3,500	3,500	7,173
Total Revenues	1,419,700	1,419,700	1,496,229
Expenditures			
Highways and Streets			
Contractual Services	1,223,500	1,223,500	478,034
Net Change in Fund Balance	<u>196,200</u>	<u>196,200</u>	1,018,195
Fund Balance - Beginning			<u>2,075,123</u>
Fund Balance - Ending			<u>3,093,318</u>

VILLAGE OF MACHESNEY PARK, ILLINOIS**North Willow Creek IJRL TIF - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended April 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues			
Taxes			
Property Taxes	\$ 18,000	18,000	19,265
Investment Income	—	—	60
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>19,325</u>
Expenditures			
General Government			
Contractual Services	5,000	5,000	5,392
Capital Outlay	25,000	25,000	22,777
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>28,169</u>
Net Change in Fund Balance	<u>(12,000)</u>	<u>(12,000)</u>	(8,844)
Fund Balance - Beginning			<u>15,792</u>
Fund Balance - Ending			<u>6,948</u>

VILLAGE OF MACHESNEY PARK, ILLINOIS

Sales Tax Rebate - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Intergovernmental			
State Sales Taxes	\$ 560,000	648,000	628,340
Expenditures			
General Government			
Contractual Services	560,000	648,000	628,340
Net Change in Fund Balance	—	—	—
Fund Balance - Beginning			—
Fund Balance - Ending			—

VILLAGE OF MACHESNEY PARK, ILLINOIS

Flood Mitigation - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ 617,325	617,325	—
Expenditures			
General Government			
Contractual Services	11,500	11,500	9,288
Capital Outlay	550,100	550,100	143,163
Total Expenditures	561,600	561,600	152,451
Excess (Deficiency) of Revenues Over (Under) Expenditures	55,725	55,725	(152,451)
Other Financing Sources			
Transfers In	—	35,000	—
Net Change in Fund Balance	55,725	90,725	(152,451)
Fund Balance - Beginning			(4,679)
Fund Balance - Ending			(157,130)

VILLAGE OF MACHESNEY PARK, ILLINOIS**Neighborhood Revitalization - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended April 30, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ 143,100	220,100	194,401
Miscellaneous	—	—	14,504
Total Revenues	143,100	220,100	208,905
Expenditures			
Housing			
Contractual Services	253,300	330,300	258,239
Excess (Deficiency) of Revenues Over (Under) Expenditures	(110,200)	(110,200)	(49,334)
Other Financing Sources			
Transfers In	40,000	40,000	40,000
Net Change in Fund Balance	(70,200)	(70,200)	(9,334)
Fund Balance - Beginning			49,498
Fund Balance - Ending			40,164

VILLAGE OF MACHESNEY PARK, ILLINOIS**Utility Tax - Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended April 30, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Utility Tax	\$ 1,100,000	1,251,000	1,365,800
Investment Income	—	—	1,535
Total Revenues	1,100,000	1,251,000	1,367,335
Expenditures			
General Government			
Contractual Services	3,200	3,200	2,167
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,096,800	1,247,800	1,365,168
Other Financing (Uses)			
Transfers Out	(1,096,800)	(1,500,000)	(1,500,000)
Net Change in Fund Balance	—	(252,200)	(134,832)
Fund Balance - Beginning			1,052,417
Fund Balance - Ending			917,585

VILLAGE OF MACHESNEY PARK, ILLINOIS

Consolidated Year-End Financial Report For the Fiscal Year Ended April 30, 2022

CSFA #	Program Name	State	Federal	Other	Total
494-00-1488	Motor Fuel Tax Program	\$ 441,985	—	—	441,985
494-00-0967	High Growth Cities Program	36,049	—	—	36,049
588-40-0446	Flood Mitigation Assistance	—	139,782	—	139,782
	Other Grant Programs and Activities	—	—	188,230	188,230
	All Other Costs Not Allocated	—	—	13,229,890	13,229,890
	Totals	478,034	139,782	13,418,120	14,035,936



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

September 29, 2022

The Honorable Village President
Members of the Board of Trustees
Village of Machesney Park, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Machesney Park, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated September 29, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. According, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULES

VILLAGE OF MACHESNEY PARK, ILLINOIS

Long-Term Debt Requirements

Promissory Note Payable of 2021A

April 30, 2022

Date of Issue	April 23, 2021
Date of Maturity	January 1, 2026
Authorized Issue	\$925,000
Interest Rate	1.06%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Illinois Bank & Trust

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2023	\$ 185,000	7,953	192,953	2021	3,944	2022	4,009
2024	185,000	5,965	190,965	2022	2,958	2023	3,007
2025	185,000	3,988	188,988	2023	1,983	2024	2,005
2026	185,000	1,988	186,988	2024	986	2025	1,002
	<u>740,000</u>	<u>19,894</u>	<u>759,894</u>		<u>9,871</u>		<u>10,023</u>

VILLAGE OF MACHESNEY PARK, ILLINOIS

Long-Term Debt Requirements

Promissory Note Payable of 2021B

April 30, 2022

Date of Issue	April 23, 2021
Date of Maturity	January 1, 2027
Authorized Issue	\$779,527
Interest Rate	1.13%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Illinois Bank & Trust

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2023	\$ 129,921	7,443	137,364	2022	3,691	2023	3,752
2024	129,921	5,954	135,875	2023	2,953	2024	3,001
2025	129,921	4,478	134,399	2024	2,227	2025	2,251
2026	129,921	2,977	132,898	2025	1,476	2026	1,501
2027	129,922	1,488	131,410	2026	738	2027	750
	649,606	22,340	671,946		11,085		11,255

VILLAGE OF MACHESNEY PARK, ILLINOIS

Long-Term Debt Requirements

Promissory Note Payable of 2021C

April 30, 2022

Date of Issue	April 23, 2021
Date of Maturity	January 1, 2031
Authorized Issue	\$1,498,965
Interest Rate	1.75%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Illinois Bank & Trust

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2023	\$ 149,896	23,937	173,833	2022	11,870	2023	12,067
2024	149,896	21,277	171,173	2023	10,551	2024	10,726
2025	149,896	18,668	168,564	2024	9,283	2025	9,385
2026	149,896	15,957	165,853	2025	7,913	2026	8,044
2027	149,896	13,298	163,194	2026	6,594	2027	6,704
2028	149,897	10,639	160,536	2027	5,276	2028	5,363
2029	149,897	8,001	157,898	2028	3,979	2029	4,022
2030	149,897	5,319	155,216	2029	2,638	2030	2,681
2031	149,897	2,660	152,557	2030	1,319	2031	1,341
	<u>1,349,068</u>	<u>119,756</u>	<u>1,468,824</u>		<u>59,423</u>		<u>60,333</u>